

Message Text

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ACTION IO-13

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 ISO-00 EB-07
AID-05 COME-00 LAB-04 SIL-01 TRSE-00 STR-04 CIAE-00
DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01
PRS-01 SP-02 SS-15 USIA-06 OES-06 INT-05 FEAE-00 /134 W
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E.O. 11652 N/A
TAGS: EIND, EG, UNIDO, UNDP
SUBJECT: US STEEL/UNIDO PROJECT TO ASSIST EGYPTIAN IRON AND
STEEL COMPANY (EISC).

REF (A) CAIRO 17240 (B) STATE 306685
(C) VIENNA 10305 (D) VIENNA 0055

SUMMARY: IN FURTHER MEETING WITH EMBOFF ON SUBJECT OF
EISC MAINTENANCE PROGRAM, UN REPS. CONTINUED EXPRESS
VIEW THAT KERR RESPONSIBLE FOR MOST OF PROGRAM DIFFICUL-
TIES. UN REPS. ANXIOUS FOR PROGRAM TO GO FORWARD, AND
PLAN FULL TRIPARTITE (UN, US STEEL, AND EISC) REVIEW MEETING
UPON ARRIVAL OF UNIDO AND US STEEL OFFICIALS IN JANUARY.
END SUMMARY.

1. COMATT MET JANUARY 5 WITH UNDP REPOS. STURE LINNER AND
THARAWAT SABRY, CAIRO-BASED UNION ADVISOR S. SZIVOS, AND
ACTING LEADER OF US STEEL TEAM LUTHER STEVENS FOR FURTHER
DISCUSSION OF EISC MAINTENANCE PROJECT. MEETING TOOK
PLACE AT INVITATION OF LINNER, WHO HAD ALSO FURNISHED
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EMBASSY WITH COPY OF DRAFT MINUTES OF NOVEMBER 9, 1976
TRIPARTITE REVIEW MEETING.

2. LINNER, SABRY, AND SZIVOS CONTINUED LAY MOST OF BLAME
FOR LACK OF PROGRESS ON PROJECT AT DOOR OF KEERR. PRIMARY
PROBLEMS, THEY INDICATED, WERE BASIC PERSONALITY CONFLICTS
BETWEEN KERR AND EGYPTIAN COMPANY OFFICIALS, EXCESSIVE

"RIGIDITY" IN BOTH PERSONAL RELATIONS AND BUSINESS MATTERS ON KERR'S PART AND HIS FAILURE TO "READ SIGNALS" OR TO ADJUST TO OPERATING IN EGYPTIAN MILIEU. KERR WAS ALSO CRITICIZED FOR FAILURE TO TAKE VARIOUS TECHNICAL STEPS TO IMPLEMENT MAINTENANCE PROGRAM. LINNER NOTED THAT IN ANY PROGRAM OF THIS COMPLEXITY, OPERATIONAL PROBLEMS AS WELL AS QUESTIONS ABOUT METHODS, AND DIFFERENCES OF INTERPRETATION OF CONTRACT REQUIREMENTS WERE BOUND TO OCCUR. HOWEVER, STRAINED PERSONAL RELATIONSHIPS AND "RIGIDITY" OF KERR MADE SMOOTH AND RAPID RESOLUTION OF THESE DIFFICULTIES IMPOSSIBLE.

3. LINNER ACKNOWLEDGED AT SAME TIME THAT KERR WAS NOT ENTIRELY AT FAULT IN THE MATTER. EGYPTIANS COULD, SOMETIMES, BE DIFFICULT TO WORK WITH AND PART OF PROBLEM, HE THOUGHT, WAS SIMPLY THAT OF LANGUAGE - EGYPTIANS WOULD NOT FULLY UNDERSTAND WHAT WAS BEING SAID IN ENGLISH BUT WOULD BE TOO PROUD, ESPECIALLY IN VIEW OF STRAINED RELATIONS, TO SEEK CLARIFICATION. LINNER SAID HE HAD TOLD EISC CHAIRMAN MURAD THAT OW THAT PRINCIPAL EGYPTIAN COMPLAINT HAD BEEN RESOLVED BY REMOVAL OF KERR, UNDP EXPECTED EISC TO BE FULLY COOPERATIVE WITH US STEEL TEAM AND TO DO EVERYTHING POSSIBLE FROM ITS SIDE TO MAKE PROGRAM WORK.

4. UNDP AND UNIDO REPS. EMPHASIZED THAT THEY WERE MOST ANXIOUS TO GET PROGRAM BACK ON TRACK QUICKLY, SINCE MORE THAN HALF OF PLANNED DURATION OF CONTRACT HAD ALREADY ELAPSED. FACT THAT THIS WAS ONE OF LARGEST SUCH CONTRACTS UNIDO HAD SIGNED MADE UN OFFICIALS ESPECIALLY ANXIOUS TO SEE IT SUCCEED. LINNER NOTED THAT EGYPTIANS WERE LIMITED OFFICIAL USE

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ALSO UNDER GREAT PRESSURE TO RAISE PRODUCTIVITY AND CAPACITY UTILIZATION LEVELS AT HELWAN AND, THEREFORE, HAD STRONG INTEREST IN SUCCESS OF A PROGRAM WHICH WOULD HELP THEM DO THIS.

5. UN OFFICIALS WERE AWARE OF JANUARY TRAVEL PLANS OF US STEEL AND UNIDO REPS., AND INTEND TO HAVE FULL TRIPARTITE REVIEW MEETING UPON THEIR ARRIVAL.
EILTS

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Message Attributes

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